

**ISSUANCE TRANSMITTAL
SHEET**

N A S A
National Aeronautics and
Space Administration

George C. Marshall Space Flight Center
Marshall Space Flight Center, Alabama 35812

Issuance Number: MMI 1300.3C

Date: Jan. 18, 1991

Material Transmitted:

1. Management Instruction, MMI 1300.3C, subject: Audit Relationships with U.S. General Accounting Office and the NASA Office of Inspector General.
2. This instruction is being updated to reflect current Headquarters guidance regarding audit followup responsibilities.

Filing Instructions:

Remove MMI 1300.3B and Change 1 and replace with MMI 1300.3C.

MANAGEMENT
INSTRUCTION

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Originating Organization: BC01	Effective Date: January 18, 1991	MMI: 1300.3C
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Subject: AUDIT RELATIONSHIPS WITH U.S. GENERAL ACCOUNTING OFFICE AND THE NASA
OFFICE OF INSPECTOR GENERAL

1. PURPOSE

This Instruction sets forth:

- a. The designation of the Center Comptroller as the focal point for all U.S. General Accounting Office (GAO) and the NASA Office of Inspector General (OIG) audit activities.
- b. Procedures relating to: the initiation of audits, completion of audits, responding to audit reports, and followup actions to ensure expeditious resolution of matters covered by audit reports.

2. APPLICABILITY

This Instruction applies to all MSFC organizational elements.

3. REFERENCES (Only applicable parts of most recent edition apply.)

- a. NMI 1325.1 - Relationship with U.S. General Accounting Office on Audit Matters
- b. NMI 1325.3 - Release to the U.S. General Accounting Office of Requested NASA Information and Records
- c. NMI 9910.1 - The NASA Audit Program
- d. NMI 9970.1 - Audit Followup
- e. NHB 9970.2 - NASA Audit Followup Handbook

4. POLICY

- a. It is MSFC policy to cooperate to the fullest extent practicable with the representatives of the GAO and the NASA OIG in the performance of their statutory functions. This includes making available, upon specific request, the particular MSFC documents, files, and other record material required for audit purposes.
- b. Directors/Managers or their deputies having responsibility for the organizational element covered by or which generated the information or records requested by GAO will assure, prior to release, that the information or records are accurate, complete, and relevant. Additionally, the responsible official will keep the Center Comptroller apprised of data released to GAO.
- c. Section 6 of NMI 1325.3 defines special cases subject to particular procedures as defined in that issuance. Any requests for data which are subject to procedures defined by Section 6 of NMI 1325.3 will be referred to the Center Comptroller's Office.
- d. MSFC employees will not give informal or personal comments and opinions on drafts of GAO reports. Replies to audit reports will be submitted through the Comptroller's Office.
- e. Persons contacted for audit information should ascertain that the audit has been properly initiated prior to responding to the request. This information may be obtained from Internal Control Office.
- f. The Comptroller's Office will maintain a followup system to assure that agreed-upon corrective actions are implemented on a timely basis.

5. RESPONSIBILITIES AND PROCEDURES

- a. As the representative of the Center Comptroller, Internal Control Office will perform the required day-to-day functions with GAO and the NASA OIG in support of all GAO and NASA OIG audit activities.
- b. The Comptroller's Office will keep Center Management apprised of audit activities at the Center.
- c. When the GAO and NASA OIG announce the intention to begin an audit, Internal Control Office will immediately inform the organization(s) to be audited, and schedule an entrance conference with the Center Comptroller, the auditors, representatives from the organizations to be audited, and other Center personnel as appropriate.

- d. An organizational representative will be designated at the entrance conference as the point of contact for each organization being audited. Any doubts concerning propriety of the release of information requested will be referred to Internal Control Office. After determining that the requested information can be released appropriately by the Center, this representative will be responsible for making the information available to the auditors on a timely basis and will maintain an itemized record of all data provided. For GAO audits, the provisions of paragraph 4.b. above also apply.
- e. Internal Control Office will work with the GAO and OIG auditors to accommodate them, to the extent practicable, on such matters as work space and access to key people.

At the conclusion of OIG audits, Internal Control Office will participate in a meeting with representatives of the audited organization and the auditors to verify the accuracy of data in the discussion draft. An exit conference will then be scheduled when appropriate.

At the conclusion of GAO audits, Internal Control Office will schedule an exit conference with the Center Comptroller or his designee, the auditors, and representatives from applicable organizations.

- f. When the draft audit report is received by MSFC, Internal Control Office will make distribution to appropriate MSFC organizations and request their comments on the audit recommendations. The applicable organizations will, within the established suspense date, submit their written comments to Internal Control Office on the audit recommendations. Internal Control Office will then prepare a Center reply to the draft report, staff for concurrence, and submit to the Associate Director for signature.
- * g. Internal Control Office will maintain a followup system to assure that applicable MSFC organizations have implemented the agreed-upon corrective actions. These actions include a management decision (written response) for OIG/GAO recommendations that will address: (1) the accountable action office; (2) corrective actions to be taken; (3) projected or contingent completion dates; and (4) comments on associated monetary benefits, if applicable. To the extent possible, monetary benefits will be identified according to project or program area and the potential impact on future funding.
- * h. Reports on the status of audit recommendations and corrective actions will be provided in accordance with NHB 9970.2, "NASA Audit Followup Handbook."

* Changed by this revision.

6. CANCELLATION

MMI 1300.3B dated November 5, 1982 and Change 1 thereto

(Orig signed by)
T. J. Lee
Director

Distribution:
SDL-2